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## **Saratoga County Releases 2015 Tentative Budget**

### **Budget Marks Stabilization of County Finances, with No Increase to Sales and Property Tax Rates and Lowest Fund Balance Appropriation Since 2007**

**(Ballston Spa, NY)** County Administrator Spencer P. Hellwig, III, today released the 2015 Tentative Budget. Continuing the fiscally conservative measures of the previous four years, the budget includes over \$7 million in discretionary spending cuts from initial departmental requests and demonstrates that the County's finances are regaining stability. Under this budget, the County will maintain its 3% local sales tax rate, which is the lowest in New York State and shared by only two other counties. At \$2.28 per thousand dollars of assessed value, there is also no growth proposed in the property tax rate, which is still one of the lowest in the state. The tax levy will be below the property tax cap for the fourth consecutive year. The 2015 Tentative Budget appropriates \$1,000,000 from the County's fund balance, the same amount budgeted for 2014 and the lowest such appropriation since 2007.

"Over the past four years, Saratoga County has successfully navigated from financial distress to recovery," said Hellwig. "The 2015 Tentative Budget demonstrates what recovery means for county residents. In a word, it means stability. Our financial recovery did not happen by accident. The stable position we are returning to is the result of many difficult decisions made over the past four years that changed the way the County operates. Although we are in a much better position now than we have been at any time during those years, 2015 will continue to be a rebuilding year. We still have work to do in rebuilding our reserves to deal with forces beyond the County's control, including swings in the economy and the continuing burden of unfunded state mandates."

Board of Supervisors Vice Chairman Matt Veitch, who provided strategic oversight during the budget making process as Chairman of the Law & Finance Committee, added, "The release of this budget marks the best news about the County's finances that we've been able to report in a long time. I credit all Supervisors but most importantly our past three Chairmen, Tom Wood, Alan Grattidge, and Paul Sausville, for their hard work leading up to this day. Our Fund Balance is finally moving in the right direction, we're restoring vital county services to levels our residents deserve, and we are committed to the fiscally conservative philosophy that has always been at the core of Saratoga County's success."

The most notable occurrence in 2014 will be the transfer of ownership of Maplewood Manor to Zenith Health Care Group, which contributes greatly to the stability reflected in the 2015 Tentative Budget. Aside from \$10 million budgeted in the Infirmary Fund as a safeguard in the unlikely event that the privatization process continues into next year, total appropriations in the All Funds Budget is \$296,773,451, representing a decrease of \$16.4 million from the 2014 All Funds Adopted Budget. Privatizing Maplewood will reduce the County's workforce by 25%, from approximately 1,400 to 1,000 employees, which equates to \$10.5 million in savings in payroll, the County's largest expense.

The second largest expense in the budget aside from state mandates is health insurance, and the 2015 budget continues the County's aggressive effort to control these expenses. From transitioning to a self-insured program in 2012, to changing carriers in 2013, to enacting Medicare Advantage in 2014, every recent county budget has delivered savings in health insurance expenses. This effort continues in 2015, when for the first time in county history every single employee who is eligible for county health insurance coverage will be making a contribution to his or her premium cost, just like the majority of our taxpayers do. This was accomplished through hard work with our employee unions to negotiate three new collective bargaining agreements, the last of which is expected to be ratified later this month by the

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Board of Supervisors. Taken together, these actions have not only saved millions of dollars in our health insurance budget, but have also bent the cost curve downward for future years.

The 2015 Tentative Budget also includes an appropriation to support the Saratoga County Prosperity Partnership next year. This organization is the product of nearly two years of work by the Board of Supervisors, highlighted by the adoption this March of the County's first-ever Economic Development Strategic Plan. The Partnership will execute the Strategic Plan, serving as the County's official economic development agency and uniting all of our economic partners in pursuit of a shared, focused mission. The Partnership is conducting a national search for an Executive Director. Its future success will mean measurable economic growth for Saratoga County, which will bring added revenue to further stabilize the County's finances, and more importantly, better economic opportunities for county residents.

Other highlights from the 2015 Tentative Budget include:

- A projected unappropriated General Fund Balance of \$20 million as of January 1, 2015.
- Sales tax is budgeted at \$115 million, reflecting 4% growth.
- The property tax levy is budgeted at \$53,293,777, reflecting a very slight tax rate decrease. Due to growth in the assessed values of real property countywide, this rate will generate an additional \$839,272, which is well within the property tax cap and is still not nearly enough to fully cover the cost of unfunded mandates.
- Unfunded mandates will cost a net of more than \$63 million, which exceeds the proposed property tax levy by more than \$10 million, or nearly 20%.
- The Highway Fund and Equipment Fund budgets will increase by 10%, due largely to restorations in road and bridge maintenance included in the 2015 Capital Program.
- The Capital Program also continues badly-needed investments that will improve the functionality and security of the County's IT infrastructure.
- The 2015 Economic Development appropriation is \$1.1 million, including \$346,500 for the Saratoga County Chamber of Commerce's tourism marketing program and additional funding for the Chamber of Southern County, Center for Economic Growth, and Saratoga County Prosperity Partnership. This appropriation is partially offset by a dedicated revenue stream.
- The County's budget for supported organizations is down, largely due to a \$400,000 reduction in projected financial support needed by the Water Authority.
- There are no new positions in the Tentative Budget.

The Tentative Budget will be presented to the Law & Finance Committee for its hearings on Thursday, November 6<sup>th</sup> at 4 p.m. The Budget Workshop for Supervisors is scheduled for Thursday, November 13<sup>th</sup> at 3 p.m. At that time, there will be a review of any proposed changes to the Tentative Budget before the Public Hearing on December 3<sup>rd</sup> and final adoption of the budget on December 10<sup>th</sup>.

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